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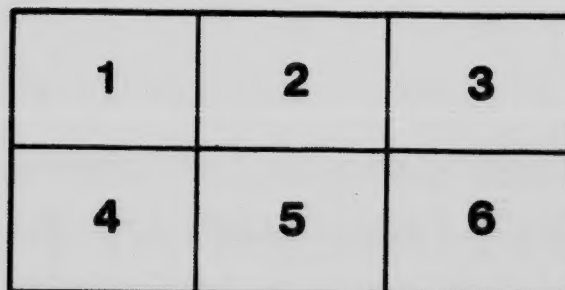
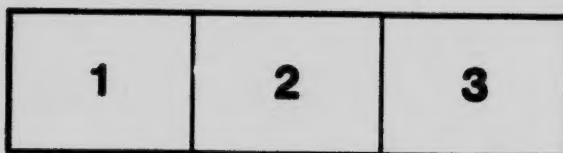
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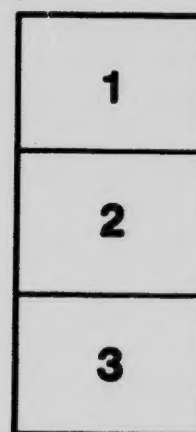
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Lent. Nov. 12 '19

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GOVERNMENT OF THE PROVINCE OF SASKATCHEWAN
DEPARTMENT OF AGRICULTURE
CO-OPERATIVE ORGANISATION BRANCH

NOV 8 1919

CO-OPERATIVE LIVE STOCK MARKETING

By W. W. THOMSON, B. S. A.
Director Co-operative Organisation

The co-operative marketing of live stock has long since passed the experimental stage in Western Canada. First introduced in 1914, this system of marketing has spread with such rapidity that in 1918 upwards of 4,000 cars of live stock were disposed of in this manner by farmers in the three prairie provinces. A stock marketing association is an organisation through which the farmers in a district unite to make up car lots of live stock which are then forwarded to some central market to be sold where competitive bidding is assured. The proceeds from the sale, less the manager's commission and the necessary expense, being distributed to those supplying the animals in proportion to the prices received for their stock. The advantages of this method of marketing may be briefly enumerated as follows:

1. It eliminates the local or travelling buyers, with the attendant duplication of work and the heavy expense for salaries, livery hire, etc., which their operations entail.
2. It brings the producer and the consumer one step closer together, insuring better prices to the former and cheaper meat to the latter.
3. Each farmer's stock being sold by itself each receives the just reward for his efforts.
4. The small producer is placed in a position to command the same prices as the farmer having a car lot or more for sale.
5. Working together with others who are producing under the same conditions as themselves, the members in the association become fired with a spirit of friendly rivalry and are inspired to put forth

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every effort to produce high class stock which will bring in the best returns.

"HOME MARKETS" FOR SASKATCHEWAN STOCK RAISERS.

Public markets operated and controlled by Saskatchewan farmers for the marketing of Saskatchewan live stock will be opened in 1919 at Moose Jaw and Prince Albert. For several years Saskatchewan grain growers have operated their own grain elevators with conspicuous success. Saskatchewan dairymen have for a shorter time, but equally successfully, operated their own line of creameries and cold storage plants. Hundreds of Saskatchewan wool growers have sold their wool clip co-operatively for some years to their profit. In fact every marketing enterprise in which Saskatchewan farmers have engaged has proven successful and there is no reason to doubt that this latest marketing enterprise undertaken for the purpose of providing the means of marketing Saskatchewan live stock will add to the laurels already won by Saskatchewan farmers in connection with co-operative marketing of their products.

One object of this circular is to state briefly the plan of organisation, the nature and extent of government assistance and the benefits which farmers may derive from these stock yards.

ORGANISATION OF STOCK-YARD COMPANIES.

The Acts incorporating the Southern Saskatchewan Co-operative Stock Yards Ltd., and the Northern Saskatchewan Co-operative Stock Yards, Ltd., provide that the maximum initial capitalisation of each company shall be \$100,000.00, but this may be increased from time to time by the Government as need may arise. As not more than fifty shares (\$5,000.00) may be held by any individual and at least half the shares must be owned by agriculturists, it is safe to assume that the ownership of the shares will be well distributed and the control retained by producers of live stock. Voting powers are on the basis of "one man one vote." Directors and officers will be elected annually by the shareholders and bylaws passed to provide for the operation of the company. Dividends to shareholders on paid up capital are limited by the Act and may not exceed eight per cent.

GOVERNMENT ASSISTANCE.

When the stock yard companies are organised, their share capital sold and enough money paid in cash to cover two-thirds of their building operations as well as organisation expenses and the cost of a site, the Saskatchewan Government undertakes to pay the remaining one-third of the cost of construction of the stock yards. The Stock Yards Companies are by Government legislation exempted from municipal and provincial taxation of all kinds for a period of five years.

GOVERNMENT SUPERVISION.

The Government provides for close supervision and control by requiring that stock-yard plans and the fees charged for handling stock

must be approved by the Government, that all accounting forms must be submitted to the Provincial Treasurer and the Provincial Auditor for approval, that the accounts must be audited by a chartered accountant acceptable to the Provincial Auditor, and that copies of the auditor's report shall be submitted annually to the Provincial Treasurer.

HOME MARKETS FOR SASKATCHEWAN STOCK.

It is expected that the stock yards will become increasingly valuable to Saskatchewan stock growers from year to year. They will at once provide yard facilities adjacent to well equipped abattoirs—Gordon, Ironside & Fares, at Moose Jaw, and P. Burns & Company at Prince Albert,—and, if the history of other markets is repeated, additional killing facilities may be expected to follow the establishment of these yards, thus providing for Saskatchewan stock growers increasingly valuable home markets.

SORTING MARKETS FOR STOCKER AND FEEDER CATTLE.

In another respect, however, these stock yards should serve an important purpose. Unfortunately a lot of stock which leaves our farms is not in condition for killing; much of it is just in condition for finishing; considerable of it is of the stocker class; too much is "she stuff" which should be retained for breeding purposes. One purpose which the promoters of the stock yards idea had in mind was the establishment of local markets near to the source of supply in which the stock formerly shipped from Saskatchewan to Winnipeg, Calgary or Edmonton could be assembled and sorted, the feeder and stocker class, especially the heifers and young cows, being sold back to farmers wishing to establish or enlarge their herds of cattle, and the feeder steers being sold either to western, eastern or southern farmers to be finished for market. The economic loss through shipping stocker cattle hundreds of miles and sending them back to neighbouring farmers has been pointed out time and again. The establishment of the Co-operative Stock Yards at Moose Jaw and Prince Albert should provide the remedy which experience has shown to be necessary, and it only remains for stock producers to patronise the facilities which are being provided.

CO-OPERATIVE SHIPPING ASSOCIATIONS.

Saskatchewan has a large number of co-operative associations, many of which handle live stock co-operatively. This method of selling live stock commends itself to farmers as they get all their stock brings on the open market less actual expense. It is one way of eliminating a middleman's profit.

How to Organise.

The primary object of a co-operative live stock marketing association is to effect economies in the marketing of live stock. Unless the returns realised from the sale of live stock in any particular district can be increased by selling co-operatively, there is little to be gained by organising a stock shipping association there. The first

step, therefore, is to make certain that conditions can be improved by organisation. A number of those interested should gather data concerning the neighboring markets, the cost of conveying animals to them, the shrinkage entailed by the journey and the cost of weighing, yardage, feed and selling. If such an investigation reveals an undue spread between the prices paid on the central market and those offered by the local dealer, it is reasonable to conclude that the organisation of a stock marketing association would be of benefit and steps to that end should be taken. The usual procedure is to call a meeting of the stock producers of the district, explain the situation fully and organise for marketing co-operatively.

As previously stated, stock marketing associations usually act only as collecting, forwarding and selling agencies for stock producers. They do not buy and sell stock, consequently no working capital is required and it is not essential, although desirable, that they should be incorporated. If incorporation is desired, particulars regarding the procedure necessary can be obtained on request from the provincial registrar of co-operative associations. Whether or not incorporation is deemed necessary is for the individuals concerned to decide. Railway companies and others with whom it would be necessary to do business prefer to deal with incorporated organisations and when this precaution is taken the individual members enjoy limited liability, but the actual work of marketing stock will be the same in registered and unregistered associations. At the organisation meeting a set of bylaws should be drawn up for the regulation of the business and these should be signed by all members.

Suggested Bylaws.

The following bylaws with perhaps a few alterations to meet local requirements will be found suitable for any stock marketing association :

1. Manager to be notified re stock ready for shipment—All members who desire to market stock through the association shall report to the manager the kinds of stock and the number of each kind which he intends marketing, and approximately when the animals will be ready to be marketed.
2. Ordering car and loading—When a sufficient amount of live stock to make a full carload has been reported as being ready for market, the manager shall order a car and notify each member having stock listed, stating the date and the hours at which the stock is to be delivered for loading.
3. Special duties of Manager—In addition to performing the other duties assigned him by the constitution and bylaws of the association, the manager shall be at the stock yard on the dates and at the hours set for delivery of stock, and shall receive, weigh, mark and load the animals on the cars. He shall have charge of and direct the sale of all shipments and receive all money therefor and pay the same to the shippers, less his commission and all other expenses incurred in making the shipment, or, when so

directed, send the money by mail to the shippers. He shall furnish a statement to every shipper showing the net weight, price received and expenses incurred in marketing his consignment. He shall keep on file all statements received from the commission firm selling the stock and shall keep a record showing the number of cars shipped and the amount of stock in such cars.

4. **Manager's remuneration**—The manager shall receive as compensation for his services a commission of.....cents per hundred pounds on the net weight at the final market of all stock marketed through the association, from which commission he shall pay for all extra help employed to assist in handling or loading the stock, and also defray any travelling expenses incurred in marketing the shipments; he shall, however, have the right to charge for any outlay for feed, bedding, materials needed to make partitions to separate the stock in the cars, etc., said amounts to be charged against the consignments on whose account they were incurred.
5. **Insurance and Sinking Fund**—Out of the receipts from the sale of every shipment there shall be deducted.....cents (3 cents suggested) on every hundred pounds in weight of hogs or sheep and.....cents (2 cents suggested) on every hundred pounds of cattle and the amounts so deducted shall be placed in such chartered bank as the directors may direct and shall constitute a fund which shall be used for paying losses that may occur through injury to stock while in the association's hands, or to purchase office supplies, postage stamps, or such equipment as the association may require.
6. **Payments for stock injured in transit**—Any shipper whose stock has been accidentally injured while in the hands of the association shall receive the full amount for the same as though it had not been injured, and shall be subject to the regular rates of expense on the shipment. The payment of damages shall be based on a statement made by the commission firm having charge of the sale of the shipment, which statement shall show the amount received for the injured animal and the amount, in their opinion, which it would have brought had it not been injured. This statement shall be the final basis for the settlement. No damage shall be paid for an animal that was not in a healthy condition when received at the local yards by the manager.
7. **Sale of stock for non-members**—Animals will be accepted from and sold for non-members upon the same conditions as if supplied by members, except that double insurance fees will be charged on all such animals.
8. **Dates of shipment**—Sufficient stock being available shipments shall be made at regular.....intervals.

Organisation is, however, but the first step towards the establishment of a successful marketing association. Having launched the enterprise, it is essential that every member should patronise it to the full extent of his abilities. This is particularly important during the early stages of the association's development as it is at that time that it will meet the greatest opposition from stock buyers and others who wish to perpetuate the present marketing system. Price cutting, the circulation of misleading information and every other device that is likely to induce members to leave the association may be expected, for if the association once has a chance to demonstrate its usefulness its opponents know that they will have little prospect of defeating it later. The importance of holding the association together during its early stages cannot, therefore, be overestimated.

To inspire confidence in the organisation, only well known and capable stock men should be selected as directors and as their duties will not be such as to occupy much of their time, the directors should serve without remuneration. The selection of a capable manager is essential to success. If possible someone thoroughly acquainted with all matters pertaining to the marketing of stock should be secured and he should be given such remuneration as will induce him to make the stock marketing work one of his most important activities. The suggested bylaws provide for the manager's remuneration by way of a commission at a set rate on the net weight of the stock at the final market, thereby making it to the manager's interest as well as that of the producer that the stock should reach the market quickly and in the best possible condition. Some associations prefer to pay a commission on the net returns. Either system would be satisfactory. It should, however, be remembered that the object of the association is to effect economies and, consequently, the manager's remuneration should not be so large as to nearly approach the profit usually taken by the drover. The exact amount paid the manager will vary with the distance from the marketing point and the volume of business to be handled.

Another essential to success is simple, plain and accurate accounts, open at all times to all members and showing clear and concise statements of results. The Saskatchewan Department of Agriculture has arranged to supply stock marketing associations throughout this province with a set of account forms sufficient to record one year's marketing transactions without expense to the associations, and organisations in other provinces can obtain sample forms from the same source. Promptness in forwarding settlement for all stock marketed is required if the continued support of the members is to be secured and the fullest possible information in regard to all matters connected with the marketing of stock should be available to every member. The confidence of its members is the association's greatest asset and it is only by retaining same that the organisation can become a permanent factor in the life of the community.

The method of procedure in marketing stock co-operatively is quite simple. The manager takes charge of each consignment as it is

delivered at the stock yard and gives a detailed receipt to the producer which specifies the number and kind of animals, their weight and the distinctive marks assigned to them. The stock is then marked, loaded and shipped to market, the manager, or someone acting for him, accompanying the shipment. When the car reaches the stock yards, it is unloaded, the animals are fed, watered and turned over to a commission firm to be graded and sold. The manager makes no payment until the returns for the carload are received from the commission firm. He then compiles for each member a statement showing what his stock weighed and was sold for on the market and the expenses incurred in connection with the shipment and sale of it. Along with this statement he mails a cheque for the balance due the producer.

POINTS REGARDING SHIPPING

The following information regarding shipping regulations applies over all railway lines in Western Canada:

General.

Shippers should order cars from their nearest station agent, if possible, two or three days before they are required, being careful to state the kind and size required.

Stock is carried in two ways: At the railway's risk, subject to the terms and conditions of their standard bill of lading; and at owner's risk, subject to a special live stock contract. Shippers when loading stock must specify under which condition they desire to ship and secure either contracts or bills of lading. These documents are essential to prove ownership and to secure transportation for attendants.

Shipments of live stock cannot be consigned "to the order of," but may be consigned to the shipper and direction given that a commission firm, or other party, be notified of their arrival.

Large and small animals shipped together in the same car must be kept separate by partitions, put up by shippers at their own expense and risk as to sufficiency or otherwise. This rule does not apply to milch cows with calves at foot.

If for any reason feed is furnished for the live stock by or through the railway company, the cost of the same will be collected from the consignee upon delivery.

All live stock are required to be loaded and unloaded by and at the risk of the consignor and consignee respectively.

The railway companies will not be responsible for loss, damage or injury resulting from the acts of the animals themselves, nor for injury to calves, hogs or other live stock from suffocation, exhaustion, heat or cold, nor for any live stock escaping from cars.

The railway companies do not undertake to transport live stock by any particular train, or within any special time, or in time for any particular market, and will not be responsible for loss or damage in-

curred by the refusal or inability of connecting lines to receive and forward live stock after tender of delivery.

Minimum Carload Weights.

On live stock shipped in car lots freight charges are based on the actual weight of the shipments, but the minimum weight charged for will not be less than 20,000 pounds on cars of cattle in any length or size of car. With hogs and sheep the minimum carload weight is 16,000 pounds for cars 36 feet 6 inches in length, inside measurement. On longer cars an increase of 5 per cent. per foot for the additional length is charged.

Cars of horses or cattle, not weighed at shipping point, are billed at 22,500 pounds, subject to correction to actual weight at weighing station; the minimum charged for, however, will not be less than 20,000 pounds. Cars of horses or cattle not weighed will be charged for at an estimated weight of 22,500 pounds.

Mixed Carloads.

When more than one kind of stock is loaded in a car the highest rate and minimum weight applying on any kind of stock in the car will be charged.

Double Deck Cars.

The railway companies will not furnish double deck cars, but if they so desire shippers may instal decks at their own expense and risk. When this is done the minimum weight, as above given, will still apply.

Transportation of Attendants.

The owners or their agents must accompany each carload consignment when the distance is over 100 miles, and before they will be allowed to travel on the train with the stock they must sign a form approved by the Board of Railway Commissioners, releasing the railways from liability in case of accident to them personally.

Owners or their agents in charge of live stock shipments will be carried free and free return transportation will be given. When a shipment contains more than one carload the number of persons accompanying it may be as follows: Three cars or less, one person; four, five or six cars, two persons; seven, eight, nine or ten cars, three persons; over ten cars in one lot, four persons.

ASSISTANCE IN ORGANISING.

To encourage the organisation of live stock marketing associations, the Provincial Department of Agriculture, through the Co-operative Organisation Branch, is prepared to supply each association organised, free of charge, with sufficient receipt and account forms to meet their requirements for one year, the only stipulation being that the association forward the Co-operative Organisation Branch a copy of the constitution and bylaws under which it purposes operating. If desired, printed copies of the constitution and bylaws outlined herein

will be furnished and the Co-operative Organisation Branch will at all times be glad to supply any available information in regard to the marketing of stock or upon request to advise associations in regard to any difficulties which they may encounter. When such assistance is desired, the branch will also send to any association, free of cost, an experienced stock man who will assist in handling its first shipment. All communications regarding this matter should be addressed to the Director, Co-operative Organisation Branch, Department of Agriculture, Regina, Saskatchewan.

SUPPORT YOUR OWN MARKETS.

"Nothing succeeds like success." The success of the Saskatchewan Co-operative Elevator Co. and the Saskatchewan Co-operative Creameries would not have been nearly so great without the loyal and continuous support of Saskatchewan grain growers and dairymen. The success of the stock yards at Moose Jaw and Prince Albert depends upon the support they receive from Saskatchewan stock raisers. Ship your stock to your own markets and get your neighbours to do so and success will surely crown this latest marketing effort of Saskatchewan farmers.

For particulars apply:

Southern Saskatchewan Co-operative Stock Yards, Ltd., Moose Jaw, Sask.;

Northern Saskatchewan Co-operative Stock Yards, Ltd., Prince Albert, Sask.;

Or, Department of Agriculture, Regina, Sask.

